

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2163 - HB 2343

February 12, 2022

SUMMARY OF BILL: Requires educator preparation providers (EPPs) approved by the State Board of Education (SBE) to include at least one course each semester on reading instruction as part of the EPPs program curriculum for candidates enrolled in the programs. Requires each course or series of courses to provide reading instruction to persons in each of the following developmental or educational periods: (1) Early childhood; (2) Pre-kindergarten; (3) Kindergarten through grade four (K-4); (4) Grades five through eight (5-8); (5) Grades nine through twelve (9-12); and (6) Adult. Requires the SBE to revoke an EPPs approval if the program does not include such courses.

FISCAL IMPACT:

Increase State Expenditures –

Exceeds \$1,213,300/FY22-23/LGIs and UT System

Exceeds \$866,670/FY23-24 and subsequent years/ LGIs and UT System

Other Fiscal Impact – The precise increase, if any, in tuition revenue for the University of Tennessee System and LGIs cannot be reasonably determined.

Assumptions:

- The provisions of this legislation do not modify The Literacy Success Act of 2021; EPPs will still comply with provisions of the act, but will need to provide these additional courses.
- This legislation will require students to complete a reading instruction course each semester.
- Based on information provided by the University of Tennessee System (UT), due to curriculum requirements, this legislation would result in the average student taking approximately six additional 3-hour courses for 18 more hours outside of the standard 120 hours over eight semesters.
- UT and the locally governed institutions (LGI) provide the state with 10 campuses that deliver EPP programs. They will need an average of six additional courses per campus.
- Course content for each of the new courses would need to be created and developed at a cost of approximately \$34,667 per campus.
- There will be a one-time cost in state expenditures of \$346,670 (\$34,667 development cost x 10 campuses) in FY22-23.

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- The recurring increase in state expenditures to offer six additional single classes at each campus will exceed \$86,667 per campus for salaries and benefits of professors, supplies, and additional course material.
- There will be a recurring increase in state expenditure exceeding \$866,670 (\$86,667 x 10 campuses) in FY22-23 for all state campuses.
- The total amount of state expenditures is estimated to exceed \$1,213,340 (\$866,670 salaries + \$346,670 development cost) in FY22-23 and a recurring amount in FY23-24 and subsequent years exceeding \$866,670 for all state campuses.
- The outcomes-based formula attributes a portion of funding to graduation rates, students graduating outside of the 120 hours could affect the amounts allocated to each university.
- Some universities participate in a flat rate tuition cost for courses over 12 credit hours. These universities will not see additional revenue for the increased course hours.
- In the event such requirements result in students enrolling for an additional semester than they otherwise would have, universities may experience an increase in tuition revenue.
- The precise amount of additional tuition revenue for universities is dependent on multiple unknown factors including but not limited to enrollment, financial aid and scholarships, and changes in the timing of degree completion.
- Any additional administrative cost for accomplishing appropriate approvals through THEC, the SBE and other licensure requirement can be accomplished using existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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